PREDICTORS OF WORKPLACE DEVIANT BEHAVIOUR IN MALAYSIA

by

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Thesis submitted in fulfillment of the requirements for the degree of Doctor of Philosophy

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In the name of Allah, Most beneficent, Most merciful. May his blessing and mercy be upon our Prophet Muhammad S.A. W. My thanks to Allah first and last.

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ABBREVIATIONS

Abbreviations used in this study are as follows:

WDB  Workplace Deviant Behaviour
WDBI  Interpersonal Deviance
WDBO  Organizational Deviance
WDBPn  Production Deviance
WDBPr  Property Deviance
PC  Psychological Contract
PCV  Psychological Contract Violation
TL  Transactional Leadership
CR  Contingent Reward
MBEA  Management-by-Exception (Active)
MBEP  Management-by-Exception (Passive)
JC  Job Characteristics
JS  Job Significance
JF  Job Feedback
JA  Job Autonomy
JI  Job Identity
WS  Work Stressors
RC  Role Conflict
RA  Role Ambiguity
WOL  Work Overload
TiO  Trust in Organization
LOC  Locus of Control
PERAMAL GELAGAT DEVIAN DI TEMPAT KERJA DI MALAYSIA

ABSTRAK

terhadap organisasi sebagai angkubah pencelah di antara angkubah organisasi, angkubah berkaitan dengan kerja, dan gelagat devian di tempat kerja. Dapatan kajian ini juga menyokong pengaruh lokus kawalan sebagai angkubah penyederhana di antara kepercayaan terhadap organisasi dan gelagat deviant di tempat kerja. Berasaskan dapatan kajian, perbincangan hasil kajian, dan juga kekangan kajian, implikasi teoritikal dan praktikal disediakan. Kajian bagi masa akan datang dicadangkan supaya model bagi gelagat devian di tempat kerja akan dapat dikembangkan,
ABSTRACT

Workplace issues remains important in organizational behaviour research because of their impact on employees and organization. One of the important workplace issues that receive less attention among organizational scholars is workplace deviant behaviour. Due to the paucity of empirical research, especially within local and Asian countries, this study attempts to uncover how organizational variables (psychological contract violation, transactional leadership) and work related variables (job characteristics, work stressors) influence workplace deviant behaviour. This study also investigates whether attitude (trust in organization) would mediate the relationship between organizational variables, work related variables and workplace deviant behaviour. This study also postulates that personality trait (locus of control) would moderate the relationship between employees’ attitude (trust in organization) and workplace deviant behaviour. Data were collected through mailed survey. A total of 355 usable responses were used for the purpose of this study. Findings of this study revealed the existence of three forms of workplace deviant behaviour among the production employees, namely, production deviance, property deviance, and interpersonal deviance. The findings provided some empirical support for the theoretical framework. The results provided evidence that organizational variables and the work-related variables played an important role in influencing employees’ attitude and deviant behaviour at the workplace. Trust in organization had significant influence on employees’ workplace deviant behaviour. This study demonstrated some evidence to support the mediating
effect of trust in organization between organizational variables, work-related variables, and workplace deviant behaviour. This study also provided evidence to support the moderating effect of locus of control between trust in organization and workplace deviant behaviour. Based on the study’s findings, discussions of the current findings as well as the limitations, theoretical and practical implications of the study were provided.
CHAPTER 1
INTRODUCTION

1.0 Introduction

This chapter provides the background of the study, the problem statement, the research objectives and research questions of the study. The significance and scope of the study are also presented. Definitions of key terms are provided at the end of the chapter.

1.1 Background of the study

The concept of workplace deviance in recent years has generated high interest among organizational researchers and practitioners because of its pervasiveness in organizations. Workplace deviant behaviour is an occupational crime (Kwok, Au & Ho, 2005) that may vary along a continuum of severity, from minor acts such as embarrassing co-workers and leaving early, to serious acts, such as sabotage and theft (Bennett & Robinson, 2000). Victims of workplace deviant behaviour include employers, other employees or both. An act can be a workplace deviant if it violates the major rules of organizational life (Bennett & Robinson, 2000; Robinson & Bennett, 1995; Spector & Fox, 2002).

Workplace deviant behaviour is pervasive and costly for today’s organizations (Aquino, Galperin & Bennett, 2004). Previous studies (Ambrose, Seabright & Schminke, 2002; Baron & Neuman, 1998; Bolin & Heartherly, 2001; Giacalone, Riordan & Rosenfeld, 1997; Harris & Ogbonna, 2002; Shamsudin, 2003; Shamsudin & Rahman, 2006; Sims, 2002; Skarlicki Folger, 1997; Thoms, Wolper, Scott & Jones, 2001; Weber, Kurke & Pentico, 2003) have revealed that most employees engage in
some form of workplace deviance. This includes absenteeism, abusing sick day privileges, abusing drugs and alcohol, filing fake accident claims, sabotaging, breaking organizations’ rules, withholding effort, stealing, taking long breaks, working slowly, harassing other employees and hiding needed resources.

One of the forms of workplace deviance, employee theft, has been reported to be 10 times costlier than the street crime in the United States of America. It has been blamed for 30% to 50% of all business failures in the United States of America (Snyder & Blair, 1989). Although the accuracy of an organization’s loss figures is difficult to verify and subject to bias (Murphy, 1993), WDB will negatively affect the profit of an organization as well as the employees’ morale (Robinson & Greenberg, 1998). Hence, workplace deviant behaviour is costly and harmful to the organization, its members or both. Due to its costly and harmful consequences, Ackroyd and Thomson (1999), Vardi and Weitz (2004), and Griffin and O’leary-Kelly (2004) suggested that more studies are needed to understand the determinants and occurrences of deviant behaviour at the workplace.

In Malaysia, the workplace deviance issues have been given a great deal of discussion. This is evident from the frequency of reports in the newspapers and other public media concerning cases involving dishonesty (New Straits Times, 2005), absenteeism, accident, & employee turnover (anonymous, 2008), bribery (New Straits Times, 2008), poor work attitude (New Straits Times, 2005), and industrial accidents (2008, April 28). Besides the exposure of the issues made by local media, the seriousness of deviant behaviour at the workplace has also attracted the attention of respective government agencies. Departments in the Ministry of Human Resources, such as the Social Security Organization (SOCSO), Labour Department, and the
National Institute of Occupational Safety and Health (NIOSH) have highlighted the presence of workplace deviance in Malaysia (Shamsudin & Rahman, 2006).

A number of studies have suggested that deviant behaviour at work increases the risk of accidents at workplace (Hoffmann & Larison, 1999; Kaestner & Grossman, 1998). Lehman and Simpson (1992) reiterated that alcohol and drug abuse use at or away from work had significant relationship with job performance indicators such as absenteeism, withdrawal activities, turnover, accidents at the workplace and medical insurance costs. Drug abuse at the workplace is one of the problems faced Malaysian employers. The National Drug Agency under the Malaysian Ministry of Internal Affairs registered a total of 250,045 drug addicts in various employment sectors between January 1995 and February 2005. The seriousness of drug abuse at workplace was further highlighted by Prime Minister, Dato’ Seri Abdullah Ahmad Badawi, that “drug abuse and drug pushers pose a lethal threat to the country’s development process” (Pemadam, 2005).

SOCSO (Statistic Department, SOCSO) reported that the manufacturing sector experience nearly 40 percent of industrial accidents -- the highest rate of accidents among the industries from year 2000 – 2004 (refer to Appendix A). In addition, the average number of industrial accidents reported by SOCSO and the Labour Department is 6.7 per 1,000 workers (Anonymous, 2005). This figure is comparatively high compared to the set benchmark of developed countries, i.e. three to four accidents per 1,000 workers (Lee Lam Thye, in Anonymous, 2005). One of the possible reasons for the high rate of accidents may be attributed to negligence, which is a form of deviant behaviour at the workplace.
Accidents at workplace have caused organizations to incur higher cost for medical expenses. The government agency responsible for employees’ security, SOCSO, has recorded an increase of medical related expenditures in organizations from RM438,480,551 in 1998 to RM742,432,975 in 2003 (Table 1.1). Duffy, Ganster and Shaw (1998) have demonstrated an association between individual’s health and WDB (such as lateness, absenteeism, and negligence). Similarly, poor management of employees’ well-being increases employees’ health problems, such as stress and physical illness, which may lead to deviant behaviour at work (Torignu, Baba, & Lituchy, 2005). As emphasized by Tan Sri Lee lam Thye (2008), the NIOSH chairman that Malaysian employers should address the mental and health issues at workplace as it could help to tackle related problems at workplace such as absenteeism, accidents, and employee turnover. Addressing the mental and health issues will help companies to minimize the related medical cost.

### Table 1.1: Medical Related Expenditure by SOCSO

<table>
<thead>
<tr>
<th>Year</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit Expenditure</td>
<td>497,043,527</td>
<td>608,311,583</td>
<td>638,384,656</td>
<td>722,354,935</td>
<td>754,022,028</td>
</tr>
<tr>
<td>Medical Related Expenditure</td>
<td>489,251,909</td>
<td>603,676,565</td>
<td>633,321,932</td>
<td>712,761,440</td>
<td>742,432,947</td>
</tr>
</tbody>
</table>


Sabotage, fight at work, threat, assault, harassment and use of abusive language are among the cases of WDB reported to the Malaysian Labour Department. Unfortunately, there is no formal statistics on the phenomenon of WDB produced by the Labour Department (Shamsudin & Rahman, 2006). The Industrial Relations Department, however, reported declining number of cases related to dismissal due to
deviant behaviours, such as frustration of contract, employees’ misconduct, constructive dismissal, breach of law, and victimization (refer to Appendix B). However, the declining numbers and low statistical figures may not necessarily reflect the actual extent of WDB. Atkinson (2000) in his study on acts of deviance at the workplace has suggested there is a possibility that many negative incidences are not reported to avoid tarnishing the reputations of the organizations concerned.

Employees’ layoffs are inevitable to sustain a company’s competitive advantage, to develop new strategies, and at least, to maintain the business performance (Labour Department, 2000). Layoffs negatively affect both the retrenched and the surviving workforce (Pugh, Skarlicki & Pasell, 2003). Previous studies have indicated that organizational change will reduce employees’ satisfaction (Grunberg, Moore & Greenberg, 1998), and lead to employees’ retaliation in the form of deviant behaviour at the workplace (Henle, 2005; Skarlicki & Folger, 1997). A review of the Industrial Law reports from 2000 to 2005 has indicated the existence of a variety of deviant behaviour among Malaysian employees (The Malaysian Current Law Journal, year 2000 – 2005).

Studies on workplace deviant behaviour received little attention among scholars in the past (Vardi & Weitz, 2004). Many studies conducted on employees’ job performance were focused on positive behaviours that result in constructive outcomes for organizations such as organizational citizenship behaviour (Organ, 1988; 1994) and pro-social behaviour (Brief & Motowidlo, 1986). Nevertheless, interest has recently been diverted to the study of the negative behaviours at workplace, i.e. work deviant behaviour (WDB). The increasing interest in research concerning WDB is due to its prevalence and harmful effects on organizations (Robinson & Greenberg, 1998).
WDB has been said to negatively affect organizations and individuals (e.g. Aquino, Galperin & Bennett, 2004; Colbert, Mount, Harter, Witt & Barrick, 2004; Liao, Joshi & Chung, 2004; Martinko, Gundlach & Douglas, 2002; Robinson & Bennett, 1995; Skarlicki & Folger, 1997). Individuals who are targets of WDB are more likely to quit, experience decreasing productivity, face stress-related problems, feel insecure at work, suffer lower self-esteem, and undergo psychological and physical agony (Griffin & O’Leary-Kelly, 2004; Harris & Ogbonna, 2002). These dysfunctional and costly behaviours to the organizations have attracted researchers to identify predictors of WDB (such as, Ambrose, Seabright & Schminke, 2002; Bolin & Heatherly, 2001; Boer, Bakker, Syroit & Schaufeli, 2002; Douglas & Martinko, 2001; Fox, Spector & Miles, 2001; Greenberg & Barling, 2003; Jockin, Arvey & McGue, 2001).

Empirical researches have demonstrated that organizational variables, personal variables, work variables and environmental variables serve as the predictors of WDB (e.g., Douglas & Martinko, 2001; Fox, Spector & Miles, 2001; Greenberg & Barling, 2003; Vardi, 2001, to name a few). However, these studies have only been undertaken by Western scholars. In recent years, issues on WDB has also attracted Asian scholars such as Tsai and Shih (2005), Liao, Joshi and Chang (2002) and Grasmick and Kobayashi (2002). In Malaysia, studies pertaining to this subject were few in numbers. The studies include the work Shamsudin (2003), Razali (2005), Radzi and Din (2005) and Sien (2006).

Shamsudin (2003) conducted an exploratory study that examined WDB in the hotel industry in Langkawi. It has been revealed that WDB exists in such organizations and takes the form of organizational WDB (WDBO) and interpersonal WDB (WDBI).
WDB in this survey was found to be influenced by employees’ work related attitude, such as attitude towards pay, supervision, co-worker, and management practices.

Meanwhile, Radzi and Din (2005) conducted a case study on the relationship between perceived leadership integrity and WDB in a multinational high technology company in the northern region. Significant relationships have been found between both variables. It has also been demonstrated that the type of deviant behaviour due to perceived leadership integrity is more of organizational deviance rather than interpersonal deviance.

Razali (2005) studied organizational factors (organizational commitment, organizational justice, and perceptions of organizational support), job factors (job satisfaction and job stress), and personal-related factors (locus of control and negative affect) as the predictors of employees’ deviant behaviour among production workers in Penang. It was found out that there was no significant relationship between job satisfaction, job stress and WDB. The relationship between organizational factors and WDB is supported. In contrast to the hypothesis made, negative affectivity is proven to have a significant and negative relationship with organizational deviance.

Sien (2006) investigated specific type of deviant behaviour that is service sabotage in hotel industry among frontline employees of five-star rating hotels in Penang. The relationships between individual factors (employee’s attachment, commitment, involvement, and belief) and service sabotage behaviour were investigated. It was revealed that only employee’s attachment had a significant and negative relationship with service sabotage. The findings of the study demonstrated a significant and positive relationship between employee’s commitment, involvement and
service sabotage. Meanwhile employee’s belief has not been found to have any significant relationship with service sabotage.

The existing local studies, fall short of investigating the forms of WDB and factors that influence individual’s WDB such as job characteristics, work stressors, leadership style and psychological contract violation. Furthermore, the local studies identified were conducted in a specific region or state using self-administered questionnaires. As such, this study investigates WDB among production employees in manufacturing companies that are registered with the Federation of Malaysian Manufacturer. In addition, the WDB in this study is assessed using supervisory-rating method. The investigation into the role of trust in organization as a mediating variable, and employees’ locus of control as a moderator will provide better insights for understanding WDB.

Therefore, in comparison with past local researches, this study aims to extend the array of predictors of workplace deviant behaviour at workplace. Specifically, the effect of organizational variables (psychological contract violation and leadership style) and work-related variables (work stressors and job characteristics), trust in organization, and employees’ locus of control on WDB will be studied.

1.2 Problem Statement

The costly and harmful effect of WDB is of major concern to organizations. In Malaysia, the manufacturing sector as the largest employer from year 2001 to 2005 (Appendix C) as well as potentially the largest employment provider (Ninth Malaysia plan 2006-2010, 2006) should be highly concerned with WDB issues. It is detrimental for the manufacturing sector to neglect the consequences of employees’ deviant
behaviour at work. Hence, there is a great need for investigations on the predictors of WDB within the Malaysian manufacturing context. Furthermore, there have been only a few studies conducted on the impact of organizational variables and work-related variables on WDB in Asian countries (Grasmick & Kobayashi, 2002; Liao, Joshi & Chuang, 2004; Siu, 2002).

Some issues are either overlooked or not seriously stressed in the literature on WDB. The literature reviews revealed that the effect of psychological contract violation (Robinson & Brown, 2004), leadership style (Brown & Trevino, 2003; Sarros and Santora, 2001; Wofford, Goodwin & Whittington, 1998), job characteristics (Chiu & Chen, 2005; Parker, Wall, & Cordery, 2001) and work stressors (Spector & Fox, 2002) on WDB has been sparsely researched. Hence, this study is expected to contribute further to one’s understanding on the effect of psychological contract violation, leadership style, job characteristics and work stressors on WDB.

Many past studies (e.g. Henle, 2005; Miles, Borman, Spector, & Fox, 2002; Rotundo & Sackett, 2002; Skarlicki, Folger & Tesluk, 1999) investigating organizational variables and work-related variables as predictors of WDB did not take into consideration the forms of such behaviour. The two forms of WDB are organizational deviance (WDBO) and interpersonal deviance (WDBI). Specifically, there is a need to examine the impact of psychological contract violation, transactional leadership, job characteristics and work stressors on the forms of WDB (Bennett & Robinson, 2000; Robinson & Bennett, 1995).

According to the social information processing theory, individual’s belief (belief on psychological contract violation, transactional leadership style, job characteristics, and work stressors), attitude (trust in organization), and behaviour (WDB) is shaped
through his/her responses to social information from the immediate environment and the behaviours of others (Salancik & Pfeffer, 1978). Vardi and Weiner (1996) argued that the theory of social information processing (Salancik & Pfeffer, 1978) can help explain the engagement of employees in WDB. However, Robbins (2003) indicated that an individual’s personality, specifically his/her locus of control is a strong predictor of behaviour in organization. Locus of control is a personality trait introduced by Rotter in 1966 in the context of his social learning theory. The social learning theory proposes that an individual learn acceptable, normative behaviour from others within his/her environment (Salancik & Pfeffer, 1978). The theory also suggests that an individual’s cognition, awareness and expectations can be influenced by his/her locus of control. Thus, the employment environment and situation can be influenced by his/her locus of control. In addition, the relationship between an individual attitude and behaviour would depend on the situation that a person is experiencing. Hence, the relationship between attitude and behaviour may be moderated by the type of locus of control. Therefore, there is a need to examine whether locus of control moderates the relationship between attitude (trust in organization) and behaviour (WDB).

To summarize, this study seeks to address the questions “To what extent organizational variables (psychological contract violation and transactional leadership), work-related variables (work stressors and job characteristics), trust in organization and locus of control influence WDB?”

1.3 Objectives of the Study

This study aims to look into the effects of organizational variables (psychological contract violation and transactional leadership), work-related variables (work stressor
and job characteristics), trust in organization and locus of control on WDB. The objectives of this study are:

a. to investigate the direct influence of organizational variables (psychological contract violation and transactional leadership) on WDB (WDBO, WDBI).

b. to examine the direct influence of work-related variables (work stressor and job characteristics) on WDB (WDBO, WDBI).

c. to investigate the indirect influence of organizational variables (psychological contract violation and transactional leadership) and WDB via trust in organization as the mediator.

d. to investigate the indirect influence of work-related variables (work stressor and job characteristics) and WDB via trust in organization as the mediator.

e. to investigate the role of locus of control as a moderator of the relationship between trust in organization and WDB.

1.4 Research Questions

This study will address the following research questions:

a. Do organizational variables (psychological contract violation and transactional leadership) have a direct relationship with WDB?

b. Do work-related variables (work stressor and job characteristics) have a direct relationship with WDB?
c. Does trust in organization mediate the relationship between the organizational variables (psychological contract violation and transactional leadership) and WDB?

d. Does trust in organization mediate the relationship between the work-related variables (work stressor and job characteristics) and WDB?

e. Does locus of control moderate the relationship between trust in organization and WDB?

1.5 Significance of the study

Specifically, this study is significant for the following reasons:

First, this study investigates the relationship between organizational (psychological contract violation, transactional leadership) and work-related variables (work stressors, job characteristics) on WDB. The role of trust in organization as the mediator and locus of control as the moderator was examined. The literature review (Brown & Trevino, 2003; Griffin & O’Leary-Kelly, 2004; Grover, 1997; Spector & Fox, 2002; Vardi & Weitz, 2004) have indicated that the impact of the study variables on WDB have been scant. As stated by Vardi and Weitz (2004), lack of cooperation and consent from organization’s management in studying workplace deviance leads to the paucity of WDB research. This is because organizations are wary of tarnishing their or the company’s reputation. Furthermore, this study adopts supervisor ratings method to evaluate the actual employees’ deviant behaviour at work rather than using a self-administered survey in order to avoid common method variance and self-serving bias.
Secondly, the findings of this study will help contribute to testing the validity of using trust in organization as the mediator between the predictor and criterion variables. In addition, the role of locus of control as the moderator between employees’ attitude and behaviour is also investigated.

Finally, results of the study will provide a better understanding to the manufacturing industry in terms of variables that influence employees’ deviant behaviour at work. This information will assist companies in the manufacturing industry to formulate strategies based on the studied variables, such as psychological contract violation, job characteristics, work stressors, and locus of control, to minimize WDB especially during the process of employee selection. It is hoped that this study will help policy makers and practitioners to reduce occurrences of WDB by overcoming issues related to psychological contract violation, transactional leadership style, job characteristics, and work stressors. Besides, by identifying the employees’ locus of control and trust in his/her organization, policy makers and practitioners would be able to lower the incidences of WDB.

1.6 Scope of Study

This study is exploratory in nature and adopts a cross-sectional design. Data for this study was obtained from production employees working in large manufacturing companies affiliated with the Federation of Malaysian Manufacturer. These large companies were selected because findings from studies by Lau et al., (2003) and Mitchell, Daniels, Hopper, Falvy and Ferris (1996) indicated that larger organizations have more incidences of workplace deviant behaviour compared to smaller organizations.
The study fills the gap in terms of providing research findings that integrate the respondents’ perceptions on organizational variables (psychological contract violation and transactional leadership), work-related variables (work stressors and job characteristics), trust in organization and locus of control. The organizational variables (psychological contract violation and transactional leadership) and the work-related variables (work stressors and job characteristics) are conceptualized as the independent variables. Meanwhile, trust in organization is conceptualized as the mediating variable and locus of control as the moderating variable.

The focus of the study was on WDB which was rated by the production employees’ supervisor. This study adopted supervisor ratings method in order to avoid self-serving bias and common method variance.

Before pursuing the actual survey, a pilot study was conducted. Four manufacturing companies in Shah Alam were involved in this pilot study. In the pilot study, the questionnaires were distributed to the respondents. An interview was also conducted with a volunteered supervisor and two of his subordinates.

1.7 Operational Definition of Terms

The definitions of terminologies used in the study are presented below.

*Workplace Deviant Behaviour (WDB).* In this study, WDB refers to a voluntary behaviour that violates significant organization norms, goals, policies or rules and threatens the well-being of the organization, its members, or both as defined by Robinson and Bennett (1995). WDB construct consists of two forms namely,
organizational deviance and interpersonal deviance. This study will look at these two forms of WDB as the dependent variables.

Organizational Deviance. Organizational deviance refers to the extent to which deviant behaviours are targeted and harmful to organizations (Robinson & Bennett, 1995).

Interpersonal Deviance. Interpersonal deviance refers to the extent to which deviant behaviours are interpersonal and harmful to the individuals (Robinson & Bennett, 1995).

Psychological Contract Violation (PCV). In this study, PCV refers to feeling of unfairness as well as unmet expectations and damage to the sense of reciprocal obligation between employee and employer as defined by Kickul and Lester (2001). There are four dimensions of PCV namely, ‘autonomy and control’, growth and development, ‘organizational rewards’ and ‘organizational benefits’.

Autonomy and Control refers to intrinsic promises made by the employer related to employee freedom and participation as well as having increased responsibilities (Kickul & Lester, 2001).

Growth and Development refers to intrinsic promises made by the employer associated with continual professional training (Kickul & Lester, 2001).
Organizational Rewards refers to extrinsic promises made by the employer in terms of competitive salary, good working conditions, and flexibility in scheduling (Kickul & Lester, 2001).

Organizational Benefits refers to the varieties of extrinsic promises made by the employer related to health care, retirement, and vacation (Kickul & Lester, 2001).

Transactional Leadership. In this study, transactional leadership refers to leaders who clarify expectations and recognize employees’ achievements that positively contribute to higher levels of employees’ effort and performance as defined by Bass (1985). TL consists of three dimensions that are, contingent rewards, management-by-exception (active), and management-by-exception (passive).

Contingent Rewards. Contingent rewards refers to transactional leaders who clarify expectations and offer recognition when goals are achieved (Bass, 1985).

Management-By-Exception (Active). Management-By-Exception (Active) refers to transactional leaders, who specify the standard for compliance, outline ineffective performance and may punish for non-compliance with set standards (Bass, 1985).

Management-By-Exception (Passive). Management-By-Exception (Passive) refers to transactional leaders, who are reactive rather than proactive in actions such as either waits for problems to arise before taking actions or takes no action at all (Bass, 1985).
Job Characteristics. In this study, job characteristics refers to attributes of a job that can have motivational functions for employees as defined by Hackman and Oldham (1980). This construct consists of four dimensions namely, job autonomy, job feedback, job identity and job significance.

Job Autonomy refers to the degree to which a job provides freedom, independence, and discretion (Hackman & Oldham, 1980).

Job Feedback refers to the degree to which an individual knows his/her own job performance from the job itself, colleagues, supervisor or customers (Hackman & Oldham, 1980).

Job Identity refers to the degree to which the job requires completion of a whole and identifiable piece of work (Hackman & Oldham, 1980).

Job Significance refers to the degree to which the job has a substantial impact on the lives or work of others (Hackman & Oldham, 1980).

Work Stressors. In this study, work stressors refers to the stressful events in work contexts that causes an employee to face difficulty, understanding, reconciling or performing the various roles in their work lives as defined by Chen and Spector (1992). This study will look into the three common dimensions of work stressors that have been mostly referred by organizational behaviour scholars (e.g. Baba & Jamal, 1991; Bacharach, Bamberger & Conley, 1990; Beehr, Jex, Stacy, and Murray, 2000; Ganster,
Fusillier & Mayes, 1986; McShanne & Van Glinow, 2003; Rizzo et al., 1970; Robbins, 2003) namely, role conflict, role ambiguity and work overload.

**Role Conflict.** Role conflict refers to conflict that occurs when people face competing role requirements (Rizzo, House, & Lirtzman, 1970).

**Role Ambiguity.** Role ambiguity refers to confusion a person experiences related to not understanding what is expected, not knowing how to perform or not knowing the consequences of failing to meet expectations (Rizzo, House, & Lirtzman, 1970).

**Work Overload.** Work overload refers to the inconsistency between activities and tasks demanded for an employee and the time or other resources available for completing the tasks (Bacharach, Bamberger, & Conley, 1990).

**Trust in organization.** In this study, trust in organization refers to one’s expectations, assumption or belief for the organization actions that will influence the likelihood of the employee’s future actions as defined by Gabarro and Athos (1976).

**Locus of Control.** In this study, locus of control refers to a generalized belief that rewards, reinforcements or outcomes of life are controllable either by one’s own actions or by outside factors as defined by Spector (1988). There are two types of LOC -- internals and externals.
*Internals* refers to individuals who believe that work outcomes are based on their own effort and ability (Spector, 1988).

*Externals* refer to individuals who believe that work outcomes depend on external factors, such as fate, luck or knowing the right people (Spector, 1988).

1.8 Organization of the Thesis

The preceding sections have elaborated on the background of the study, its problems and objectives. Subsequently, the significance and the scope of the study are outlined.

The second chapter presents literature review of WDB, predictors of WDB, variables related to the study, theories relating to WDB, theoretical framework of study and hypotheses development. The third chapter focuses on the methodology used in the study with regard to the sample, research instruments, data collection procedures and the type of analysis employed. The fourth chapter covers the results of the analyses. Chapter 5 presents a general discussion in line with the objectives of the study. Finally, the theoretical and practical implications, limitations of the research, and suggestions for future research are presented in chapter 6.
CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

The purpose of this study is to investigate the relationship between organizational factors, work-related factors, trust in organization, locus of control, and WDB. Chapter 2 provides a review of related literature on the study and previous empirical findings. Finally, the theoretical framework of the study and the hypotheses on the relationships between the study variables are presented.

2.1 The Nature of Workplace Deviant Behaviour

Organizational behaviour discipline emphasises on employees’ conformity and congruity towards organizational goals. Employees’ actual behaviours are expected to be in order and purposeful to help achieve organizational effectiveness and efficiencies. The importance of employees’ job performance in influencing organizational effectiveness and efficiencies has been discussed by many scholars such as Borman and Motowidlo (1997), Dunlop and Lee (2004), Robbins (2003), Sackett, (2002), and Viswesvaran and Ones (2000). According to these scholars, job performance can be grouped into three broad domains, namely task performance, organizational citizenship behaviour (OCB), and workplace deviant behaviour (WDB).

Task performance is the effectiveness with which job incumbents perform activities that contribute to the organization’s goals (Borman & Motowidlo, 1997). OCB is the positive voluntary work behaviour, while WDB represents the negative
voluntary work behaviour (Hunt, 1996; Miles, Borman, Spector & Fox, 2002; Spector & Fox, 2002). From a definitional perspective, OCB and WDB are contradictory in which OCB benefits the organization, whereas WDB harms the organization. OCBs and WDBs are treated as a separate construct (Kelloway, Loughlin, Barling, & Nault, 2002), and have strong influence on employees’ job performance (Dunlop & Lee, 2004). OCB represents employee’s work behaviour that contributes to organizational goals. In contrast, WDB reflect employee’s work behaviour that detracts from organizational goals (Hunt, 1996). Furthermore, empirical evidence demonstrated that OCB is negatively related to WDB (e.g., Lee & Allen, 2002; Miles, Borman, Spector & Fox, 2002; Spector & Fox, 2002).

The aim of this study is to identify factors contributing to WDB. Therefore, for the purpose of this study, the deviant behaviour construct will be further discussed.

2.2 Workplace Deviant Behaviour

WDB is a concept in the study of organizational behaviour that is different from the study of ethics (Robinson & Bennett, 1995). According to Robinson and Bennett (1995), the study of WDB focuses on behaviour that violates organizational norms, whereas the study of ethics focuses on behaviour that is right or wrong when judged in terms of organizational values, justice, or law. A particular behaviour can be both deviant and unethical, yet the values associated with the act are different. For example, dumping toxic waste in a river is not deviant if it conforms to the policies of an organization. However, the act is unethical. Reporting the dumping activities to the authorities may be an ethical act, but it can be a deviant act if it violates organizational norms (Robinson & Bennett, 1995).
WDB is important due to its social and economic impact to the organization (Bennett & Robinson, 1995; 2000; Brown & Trevino, 2006; Diefendorff & Mehta, 2007). The consequences of WDB on organization can range from its non-monetary effect to financial impact. For example, WDB such as discussing confidential matters with unauthorized personnel (Raelin, 1994) and sabotage (Harris & Ogbonna, 2002) may tarnish a company’s reputation in terms of damaged morale or bad publicity (Griffin & O’Leary-Kelly, 2004). Additionally, employee theft has caused millions of dollars to 27 large United States retail companies surveyed in 2004 (Diefendorff & Mehta, 2007; Vardi & Weitz, 2004).

Despite the apparent prevalence and costs associated with WDB, organizational scientists have focused more on studies related to positive acts at the workplace such as OCB and prosocial behaviours (Griffin & O’Leary-Kelly, 2004; Robinson & Greenberg, 1998, Vardi & Weitz, 2004). Furthermore, top management generally has no interest in studying WDB in their firms, probably because they are wary of tarnishing their own or the company’s reputation (Vardi & Weitz, 2004). Studies on WDB have attracted organizational scientists due to the increasing reports on deviant behaviour at work such as fighting at workplace, sexual harassment, and theft. The prevalence of workplace deviance and its associated organizational costs require a specific, systematic, theoretically focused program of study into this behaviour (Robinson & Bennett, 1995; Griffin & O’Leary-Kelly, 2004; Vardi & Weitz, 2004). Over the years, researchers from most social science discipline (e.g., psychology, sociology, social psychology, criminology, management) have studied such related behaviour and interpreted them from a variety of perspectives (Vardi & Wiener, 1996).
Studies on WDB can be traced as far as Taylor (1895, 1903, 1911 in Ackroyd and Thompson, 1999; Vardi & Weitz, 2004) who had discussed a form of deviant behaviour described as ‘soldering’. As stated by Taylor, ‘soldering’ refers to employees’ response to the management’s actions by working slowly and hiding information that will eventually restrict the quantity of production. The concept of ‘soldering’ has inspired organizational research on WDB.

Gouldner (1960) who studied industrial conflict concluded that when an individual felt that something had been unjustly taken away from him/her or felt ignored, he/she would reciprocate. The individual would retaliate by restricting his/her output initially and eventually may become hostile at the workplace. The consequences of retaliation and hostility by the employees have attracted scholars to form a broader concept of WDB such as non-compliance behaviour (Puffer, 1987), antisocial behaviour (Giacalone & Greenberg, 1997), organizational misbehaviour (Ackroyd and Thompson, 1999), workplace aggression (Neuman & Baron, 1997), organizational retaliatory behaviour (Skarlicki & Folger, 1997), and workplace deviant behaviour (Robinson & Bennett, 1995).

The increasing interest among organizational scientists in WDB is reflected by the various definitions and conceptualizations of workplace deviant behaviour that have been proposed. As depicted in Table 2.1, various terms have been coined by scholars to describe WDB.
Table 2.1:
*Terms Used to Describe Deviant Behaviour*

<table>
<thead>
<tr>
<th>Construct</th>
<th>Authors</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antisocial behaviour</td>
<td>Giacalone and Greenberg (1997)</td>
<td>Any behaviour that brings harm, or is intended to bring harm to the organizations, its employees, or its stakeholder</td>
</tr>
<tr>
<td>Counterproductive Work Behaviour</td>
<td>Fox, Spector and Miles (2001), Sackett (2002)</td>
<td>Any intentional behaviour on the part of an organization member viewed by the organization as contrary to its legitimate interests.</td>
</tr>
<tr>
<td>Dysfunctional behaviour</td>
<td>Griffin, O’Leary Kelly and Collins (1998)</td>
<td>Any motivated behaviour by an employee or group of employees that has negative consequences for an individual within the organization and/or the organization itself.</td>
</tr>
<tr>
<td>Employee deviance</td>
<td>Danielle E. Warren (2003)</td>
<td>Behavioural departures from norms of a reference group, that has the potential to cause disastrous consequences for not only organizations but also entire industries and societies</td>
</tr>
<tr>
<td>Employee deviance</td>
<td>Sackett and Devore (2001)</td>
<td>As a facet of job performance that employees engage when they lack personal discipline, motivation, or both to conform to normative expectations of the organization</td>
</tr>
<tr>
<td>Ethical Rule Breaking</td>
<td>Sims L. R.(2002)</td>
<td>Employee misconduct linked to unethical practices which violate the organization’s norms.</td>
</tr>
<tr>
<td>Non-complaint behaviour</td>
<td>Puffer (1987)</td>
<td>Non-task behaviours that have negative organizational implications</td>
</tr>
<tr>
<td>Organizational misbehaviour</td>
<td>Ackyrod and Thompson (1999)</td>
<td>Any acts that falls within the ‘not-supposed-to-do’ behavioural category at work, regardless of the motive or intent.</td>
</tr>
<tr>
<td>Organizational misbehavior</td>
<td>Vardi and Wiener (1996)</td>
<td>Any intentional action by members of organizations that defies and violates shared organizational norms and expectations, and/or core societal values, mores and standards of proper conduct.</td>
</tr>
<tr>
<td>Organizational retaliation behaviour</td>
<td>Skarlicki and Folger (1997)</td>
<td>Adverse reactions to perceived unfairness by disgruntled employees toward their employer.</td>
</tr>
</tbody>
</table>